

WEATHER FORECAST
WAGAS: The week ending July 24-30 is expected to be mostly cloudy with some rain.

Source: PAGASA

Second **FRONT PAGE**

The Front Page is a special section featuring the most important news stories of the day.

Weather	Stocks	Exchange	Commodities
Manila	Manila	Manila	Manila
Cebu	Cebu	Cebu	Cebu
Davao	Davao	Davao	Davao
Iloilo	Iloilo	Iloilo	Iloilo
Baguio	Baguio	Baguio	Baguio
Marikina	Marikina	Marikina	Marikina
Quezon City	Quezon City	Quezon City	Quezon City
San Francisco	San Francisco	San Francisco	San Francisco
London	London	London	London
New York	New York	New York	New York
Hong Kong	Hong Kong	Hong Kong	Hong Kong
Singapore	Singapore	Singapore	Singapore
Manila	Manila	Manila	Manila
Cebu	Cebu	Cebu	Cebu
Davao	Davao	Davao	Davao
Iloilo	Iloilo	Iloilo	Iloilo
Baguio	Baguio	Baguio	Baguio
Marikina	Marikina	Marikina	Marikina
Quezon City	Quezon City	Quezon City	Quezon City
San Francisco	San Francisco	San Francisco	San Francisco
London	London	London	London
New York	New York	New York	New York
Hong Kong	Hong Kong	Hong Kong	Hong Kong
Singapore	Singapore	Singapore	Singapore

Water deal still valid—Maynilad

By Elizabeth S. Sanchez and Christine Gaytan

THE MAYNILAD Water Services Inc. has insisted that the compromise agreement it had concluded in March with the Metropolitan Waterworks and Sewerage System for the rehabilitation of the water supply system bonding on the government even as state lawyers are preparing the legal moves to end the deal.

In a letter dated July 20 to MWSS administrator Orlando Ronsaldo, Maynilad Finance Director Angel Ong said the state regulator's "unilateral withdrawal" of its commitment to "cancel" the bond is "not only" the binding effect of the compromise deal, issued on Amendment 2 to the concession agreement that Maynilad obtained in 2001.

Gov't takeover

The compromise deal would have paid the way for the government takeover of the financially ailing water provider of the Lower Tertiary Water Buildings Corp. and the President Goodwin Padilla.

It would have ensured the withdrawal of bond of the estimated \$100-million debt that Maynilad owed the MWSS and the complete write-off of all of Maynilad's \$60-million equity in Maynilad.

Called for a period with withdrawal by the MWSS of \$10 million only from Maynilad's \$120-million performance bond to go toward the payment of unpaid obligations, law and the restructuring of all of

its assets are now involved in developing a new reorganization plan that would allow an immediate drawdown from the \$120 million performance bond before it expires at the end of the month.

According to one source, the new reorganization plan, to be ready by next week, would take into consideration the situation of a takeover from Maynilad.

The source added that the press might be mistaken in a newspaper's report of the \$120 million equity commitment for which could be offset from Maynilad's unpaid concession fees, now placed at \$100 million.

SC ruling disputed

In his letter, Ong contended that the Supreme Court decision did not render Amendment 2 "null and void" because the MWSS board itself is a limited draw of \$10 million on the performance bond.

The MWSS, in a July 12 news release, suggested that the government drew the full amount of the \$120 million bond, following the Supreme Court decision.

Ong said the MWSS announced that of July 12 was "not" the board's decision and that they did not intend to take the compromise plan.

He said Maynilad was "willing to explore" with the government "any alternative solution" without abandoning its rights.

Maynilad's assets are available

to the government if the entire amount of the performance bond is drawn, it would have a residual value on the company's financial position after all of Maynilad's obligations are already covered under Maynilad's bond.

"Whether they [government] draw it or not, the residual value of the bond is still there," he said.

The government's withdrawal from Maynilad's performance bond and ending of the compromise agreement will force Maynilad to shut down all of its operations and to transfer all of its assets to the government.

No legal liabilities

Lawyer for the Action for Economic Reforms was government organization secretary and the MWSS would not have any legal liabilities if it were to abandon the compromise deal.

The compromise agreement needed the approval of the board and the MWSS board did not give its consent, said the MWSS board did not give its consent, said the MWSS board did not give its consent, said the MWSS board did not give its consent.

Maynilad's assets are available to the government if the entire amount of the performance bond is drawn, it would have a residual value on the company's financial position after all of Maynilad's obligations are already covered under Maynilad's bond.

under Secretary Asanza. Attorney who approved the bond is not a decision.

Unilateral move

Ong has said that the agreement, having been mutually agreed upon by Maynilad and the MWSS and approved by the MWSS, cannot simply be unilaterally rescinded.

"Such action would only give rise to further disputes between the parties, which Amendment No. 2 had sought to prevent," he said.

Maynilad said that if the MWSS insists on the unilateral withdrawal from Maynilad, it would have the original rehabilitation plan that Maynilad filed in November 2001 as the only plan to be considered by the Quezon City court hearing Maynilad's debt and unilateral action plan.

Maynilad proposed in that first plan that its payments would be made to be equivalent to the same plan.

"Maynilad's withdrawal of Maynilad, therefore, will remain with Maynilad. We reserve all rights and remedies against Maynilad for violating its obligations," Ong said.

In the compromise deal, the performance bond of \$100 million equity, which would have been the operations of the water supply of the MWSS, would be transferred to the MWSS, Maynilad would be the owner of the water supply, Maynilad would be the owner of the water supply, Maynilad would be the owner of the water supply.

Appoint more men from South, GMA urged

MANILA CITY—Businesses have more President Gloria Macapagal Arroyo to appoint more Mindanawans to her Cabinet.

Business Forum, the chair of the Mindanaw Business Council (MBC), said with the resignation of Agriculture Secretary Luis Lantion, only one Mindanawan currently sits in the Cabinet. Trade Secretary Cesar Purisima, "We are demanding, requesting for an equitable seat in the government's Cabinet," says said executive director. The Mindanaw Business Council is the Mindanaw Economic Development Council (MEDC) officers.

He said, Mindanaw has become more a "little island" to be the Department of Public Works and Highways (DPWH).

"We are pushing hard for this, Mindanaw is always behind in infrastructure development," he said.

There is a road network is very important for Mindanaw, being noted as the country's most isolated. **Arroyo** said President M. Arroyo, PDI Mindanaw Bureau.

Higher tariffs no excuse to raise oil prices, says Neda

By Michelle V. Remo

THE IMPENDING increase in tariff duties on oil imports should not be used by local oil companies to increase the prices of their petroleum products, the National Economic and Development Authority (Neda) said yesterday.

"The tariff increase does not intend to increase petroleum prices," said Economic Planning Secretary Romulo Neri, adding that the move to raise the tariff was only intended to generate more revenues and take advantage of the declining world prices of petroleum without harming consumers.

The Neda Board, the government's highest policy making body and which is chaired by President Macapagal-Arroyo, approved on Thursday the increase of petroleum tariff from three percent to five percent.

The President was expected yesterday to issue an executive order that will implement the tariff hike before the 13th Congress opens on Monday.

Neri, who is also director general of Neda, said the two percentage points increase in petroleum tariff coincides with the decreasing oil prices in the world market.

He said the decline in oil prices was one of the factors which prompted the government to raise the tariff on oil imports, saying it wanted to take advantage of the downward trend so that local consumers will not be burdened by an oil price hike.

In reaction to the increase in tariffs, local oil companies warned that the move would result in higher oil prices.

In a position paper, Caltex Philippines said the two percentage points increase in petroleum tariffs could push up the price of its Vortex Gold by 32 centavos a liter.

Caltex added that prices of its Vortex Silver and regular unleaded products could increase by 31 centavos a liter, while the cost of its diesel and kerosene products could jump by 30 centavos. Price of its fuel oil could increase by 19 centavos a liter.

The Executive Department took advantage of the recess of Congress by deciding to hike petroleum tariffs to raise more revenues for the cash-strapped government.

The President can only issue an executive order raising tariffs if Congress is in recess. Otherwise, the tariff hike should pass Congress's legislation, which usually takes much longer time than the issuance of an executive order.

Finance Secretary Juanita Amatong yesterday explained that the executive order increasing petroleum tariff would only be temporary.

Amatong said that once Congress passes a bill that will increase the excise tax on petroleum products, the executive order will cease to be in effect.

The inter-agency Development Budget Coordinating Committee (DBCC), which sets the government's economic policies and targets, is pushing for a P2 increase in excise tax on petroleum products.

The excise-tax adjustment for petroleum is part of the economic team's proposed tax measures intended to solve the government's fiscal problem.

NEWSBRIEFS

Lorenzo refutes own men on US aid report

LA TRINIDAD, Benguet—Outgoing Agriculture Secretary Luis Lorenzo Jr. yesterday laughed off reports that the United States is reviewing all its agreements with the Philippines after Malacañang pulled out the Filipino troops from Iraq to save the life of kidnapped truck driver Angelo de la Cruz.

US Ambassador to the Philippines Francis Ricciardone "is on vacation," and is not in Washington to receive instructions about a softening in Philippine-US relations as the local media have insinuated, Lorenzo told the *INQUIRER* here. In fact, he said, US Agriculture Secretary Ann Veneman had advised him the US was ready to release the country's \$30-million share from the US commodity loan program on July 29. He said Veneman responded to an *INQUIRER* report that quoted Agriculture Assistant Secretary Segfredo Serrano about the unexplained delays in the release of the share. America's Public Law 480 program supervises the commodity loan which benefits the agricultural programs of developing countries. The share translates to surplus commodities such as rice or corn, which could be bought to reinforce or replenish government stocks. **Vincent Cabreza, PDI Northern Luzon Bureau**

Church group vs jueteng airs lament

THE Catholic Church-led National Crusade against Jueteng (Krusada) has lost an arm in its fight against the illegal numbers game with the appointment of a pro-jueteng chief at the Department of Interior and Local Government. Pangasinan Archbishop Oscar Cruz, founder of the Krusada, said that the advocacy group did not expect any help from the DILG this time because of Interior Secretary Angelo Reyes' sentiments on jueteng. "I don't expect DILG will help us because Angelo Reyes already said he wants jueteng legalized. To expect he'll join us is a little dreamy," Cruz said in an interview.

Unlike former DILG chief Jose Lina, Reyes said in a radio interview soon after his appointment that he would prefer to legalize jueteng as it would be more beneficial to the government. Reyes' suggestion, however, was met with strong criticisms from the influential Catholic Church and a cold shoulder from President Macapagal-Arroyo herself.

"That statement was practically surrendering, an admission of the incapacity to eradicate jueteng," Cruz said, adding that the police had proven in December last year that concerted efforts could rid the country of jueteng.

The archbishop said that while Lina would continue to work with Krusada, the group would not approach Reyes for any assistance unless the DILG itself extends a hand. The Krusada linked with a new partner, the Catholic Bishops Conference of the Philippines' National Secretariat for Social Action, Justice and Peace (CBCP-Nassa). **Blanche S. Rivera**

Rest of RP contingent arriving Wednesday

THE military said yesterday the last batch of the country's humanitarian contingent to Iraq composed of 34 soldiers are scheduled to arrive on Wednesday via Kuwait. "I understand from the latest schedule, they will be arriving Wednesday of next week," Armed Forces Chief Gen. Narciso Abaya told reporters yesterday in Camp Aguinaldo. The soldiers were scheduled to arrive earlier but had problems booking a flight to Manila. Abaya said a "simple and austere" ceremony will be held a day after the arrival to honor the troops and hand out awards to deserving members of the contingent. He said Defense Secretary Eduardo Ermita is expected to give an "inspirational message" to the returning soldiers. **Alvin Papa**

King or hunter: Exploring the masculine self

HOW does it feel to be a man these days? Is manhood celebrated? What are issues special to men? What is the male psyche?

To answer these questions, the Friends of Jung Society of the Philippines will hold a two-day men's workshop at the Ricco-Renzo Galleries in Makati City from 2 p.m. to 8 p.m. on Aug. 13, and from 9 a.m. to 5 p.m. on Aug. 14, 2004.

Lectures, archetypes of the male psyche, and a riveting myth will be the tools used for this inner exploration. An instrument especially designed for this workshop will also be given to enhance awareness.

Resource persons are Dr. Dido Gustilo, Raj Mansukhani, Bernie Nepomuceno, Sophie Sim-Bate, Alex Tee and Rose Marie Yenke. These persons are steeped in the field of Jungian psychology and have taught Jungian classes at the Ateneo de Manila University and De La Salle University.

Only 20 slots are available. Workshop fee is P4,800. This includes materials, snacks, merienda and lunch. For reservations, call Marina at 892-46-10 and 0917-815-61-43; and Lito at 898-38-26 and 0916-302-3763.

Bro. Eddie leaders now backing GMA

By Jeffrey Labovitz (jlabovitz@uic.edu)

Some 20 leaders of various Christian churches, or who supported the presidential bid of their fellow evangelist Rev. Eddie Ullmanns yesterday went to Washington to express their support to President Macapagal-Arroyo whom they claimed is "the chosen one."

The groups included for their areas the Life Church, International Bible society, Living Epistle Church, Full Gospel Ministries, Fellowship International Pds., Hope Churches of the Philippines, Overseas Bible College, Prayer Life Seminary Inc., Family Christian Fellowship, Peace Makers Church, Philippine Council of Evangelists, Church of Universal Protestant Church, Man Redemptor and Monks Church, Christian Missionary Alliance, Christian City Proclamation, and Independent Churches of the Philippines.

They gave their letter of support to the President during a luncheon at the State Dining Room.

"We pledge the best of our support to make your government successful in the end, that our people's aspirations, reflected in our President, will finally be realized," they said.

The evangelists also supported the French king's decision to withdraw the Filippine troops from Iraq to save the life of Filippine archbishop Antonio de la Cruz.

During the interview, Bro. Oscar Ray of the PCFNU who is also a member of Villamor's Task Force Headquarters said he and the other leaders supported Villamor because they believed he could be the best president of our country as he worked hard to make it better. *

They said they decided to support Mr. Arroyo because they were shocked when she was in the house of William in Rosario, Bulacan.

"None of all Muslims, you made a very Christian out of me. We all treasure so much," Oswald.

Villanueva himself confirmed that his agents visited him on May 27 and July 3 and asked him to be an adviser but rejected the offer. The President then asked him to nominate "qualified people" from his group whom the government could use.

Aside from Cuy, other Turk River anglers—members who signed the letter of support—were Drs. Napoleon Magallon and James Jordan Pizano, chief legal counsel of Villavieja's party, Partido Piyuno.

Bishop Edwin Tuckey, PCC secretary general, said the PCC was non-partisan and did not work for Williamson's election.

But he said his group came in support

"After the people have chosen, spoken, it is important that everyone here will support whatever has been duly elected. We believe, that you are the duly recognized authority that God has placed over the Fellowship nation for the next six years," *freedom said.*

"Thank you and praise God," my attorney said on her part.

President for her decision action on Aspin's case, especially for giving utmost priority to national interest and upholding the country's sovereignty.⁷

"We support the President for his Christian act of valuing one human life over and above the interests of commerce, the agenda of diplomacy, and over the prospects of more oil. All these considerations must wait so that one human life is saved," Tenet said.

• Doubts like the President's decision in the Parable of the Lost Sheep in which the shepherd left 99 sheep on hand for the one which went astray.

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The WORLD

Editor: Loretta B. Gaudin

9/11 panel warns: America not safe

WASHINGTON—America's leaders failed to grasp the gravity of terrorist threats before the devastating attacks of Sept. 11, 2001, taking actions to fend off the al-Qaida plot, a national commission said in a blistering report Thursday.

The panel warned, "we are not safe"—and called for major intelligence changes. Its work is not over yet, as the commission continues to investigate the 20 months of misperceptions.

In a confidential investigation of the deadliest attack in US history, the commission found numerous intelligence mistakes but did not place blame on any official and stopped short of naming the hijackers could have been prevented.

While the panel did not fault President George W. Bush or his senior advisers, it did say they failed to make terrorism a top priority.

"We do not believe they fully understood just how many people al-Qaida might kill and how many it might do it," the 13-member, bipartisan panel said in its scathing findings.

"We also believe that they did not take it seriously as it should be taken," it stated. "It was not just a paper tiger." Thomas L. Friedman, the Republican chairman, said at a news conference with members of the National Commission on Terrorist Attacks Upon the United States, "We do believe both promises could have been made to the world."

The final report, available in the commission website and in bookstores, largely mirrored the preliminary report released during the commission's 20 months of investigation.

Coming less than four months before the election, the politically sensitive report could be a double-edged sword, but it is likely to help of Americans the consequences of his campaign and his cabinet to help understand the threat.

The report comes as the House of Representatives and the Senate have passed legislation to strengthen US intelligence failures and mandated the report data cited by Bush to justify the war against Iraq. The commission report expected to further undermine the Bush administration's claims that Saddam Hussein did not have a close relationship with al-Qaida and had knowledge of the 9/11 attacks.

Still, the report offers the hijackers, some in the Bush administration, was not looking to make that the commission found.

Deputy Defense Secretary Donald H. Rumsfeld, in a Sept. 12, 2001, memo to Defense Secretary Donald H. Rumsfeld, wrote that there was "a 10 percent chance" that Saddam had a role in the attacks, "but we cannot be sure."

Deputy Secretary of Defense, Rumsfeld issued a memo to Pentagon commanders on Sept. 12, 2001, that said, "only al-Qaida, the Taliban and Afghanistan."

Bush welcomed the panel's recommendations as "very constructive," although his administration has not yet issued a key proposal to establish a new level of national intelligence director. He said that "where government works to act, we will."

Bush initially opposed the creation of the commission, fearing the release of sensitive information and might against Iraq. National Security Adviser Condoleezza Rice initially opposed such work, but Bush decided that the commission was "unavoidable" and that the administration and cooperation from the administration.



A hijacked jet flew up one of the World Trade Center towers in New York on a Sunday, Sept. 11, 2001 photo.

Hijackers crashed jet in field

WASHINGTON—Cockpit recordings included in the Sept. 11 commission final report on Thursday showed that hijackers, controlling the plane but with passengers being down on them, intentionally crashed United Airlines Flight 93 near a Pennsylvania field.

While the commission still lacked the passengers' accounts by heavily drawing the hijackers' apparent effort to fly the aircraft into the White House or US Capitol, the report showed no evidence of passengers struggling with the hijackers as victims of the Boeing 737 as they were threatened.

The FBI said last year its report to Congress the hijackers crashed the plane on their own steam down on a farm near Washington, triggering an action from federal investigators to find the cockpit recordings and discover the hijackers.

But the commission report, two in national passengers aboard the jet, the Pentagon found flight recordings in the cockpit, despite hijackers' claims to the contrary.

With the passenger accounts on the cockpit door fighting, the report said hijackers 2500 yards, in the cockpit, pulled the plane to crash passengers off balance.

"We found (in the cockpit) that the hijackers did not intend to crash the plane," the report said. "The hijackers did not intend to crash the plane," the report said. "The hijackers did not intend to crash the plane," the report said.

Panel: No working ties between al-Qaida and Iraq, Iran

WASHINGTON—The Sept. 11 commission final report cited al-Qaida contacts with Iraq and Iran but does not conclude either of the "axis of evil" countries directly aided or assisted the hijackers with the terrorist network.

The report notes that Osama bin Laden began exploring a possible alliance with Iraq in the early 1990s. For example, it says an Iraqi delegation traveled to Afghanistan in July 2000 to meet with the rising Taliban and with the leader.

However, the report says, bin Laden never had an intimate relationship with the Taliban or with the United States, nor did he have a close relationship with al-Qaida and had knowledge of the 9/11 attacks.

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report found.

Still, five days after the Sept. 11 attacks, Deputy Defense Secretary Donald H. Rumsfeld, in a Sept. 12, 2001, memo to Defense Secretary Donald H. Rumsfeld, wrote that there was "a 10 percent chance" that Saddam had a role in the attacks, "but we cannot be sure."

The report also says, bin Laden never had an intimate relationship with the Taliban or with the United States, nor did he have a close relationship with al-Qaida and had knowledge of the 9/11 attacks.

of charges that bin Laden's travel to the 2001 World Trade Center bombing, was an Iraqi agent. The commission concluded there was no credible evidence to support this claim.

Deputy Secretary of Defense, Rumsfeld issued a memo to Pentagon commanders on Sept. 12, 2001, that said, "only al-Qaida, the Taliban and Afghanistan."

New report says bin Laden, commander in Afghanistan and Iraq, said the commission the hijackers crashed the plane on their own steam down on a farm near Washington, triggering an action from federal investigators to find the cockpit recordings and discover the hijackers.

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Indian families plead for lives of Iraq hostages

36 killed in Turkey train crash

PHOTOGRAPHY: Turkey—Turkish rescue workers with suffer dogs after through wreckage on Friday after a deadly, high-speed train crash on the rail line between Ankara and Izmir.

Rescue workers and Turkish officials blamed the government for Thursday's accident, saying it had ignored repeated safety warnings over the low-but-rapidly-rising train, the commercial link, and the capital Ankara.

"Serious error" was the headline in the mass circulation Istanbul newspaper.

CNN Turk television said these crew members had been detained for questioning.

The new express train, inaugurated by Prime Minister Recep Tayyip Erdogan last month, was part of an extensive modernization of Turkey's crumbling rail network.

Highlighting public anger, a woman who lost her husband in the crash screamed "This train should not have been running" to television when he visited the site of the crash overnight.

Several newspapers republished pictures of bodies in a railway yards' car storage off the first train in June 8.

Officials say the accident had probably been caused by a mechanical fault, but media also focused on the alleged role of state of the network, saying the crash in question was more than 180 years old.

Investigators were accused as saying the train was traveling very fast at the time of the accident, much more than the 75 km/h limit set by officials on Thursday night.

Witnesses say on their side beside the tracks in bright morning sunlight near the town of Pendik in a metropolitan area of southwestern Turkey.

Amey coaches behind the train, some with many deaths, and some were lifting the engine.

Many children and four foreign citizens, some German and two American, were among the dead, CNN Turk television said.

The head of Turkey's transport union, Ferid Kanak, accused the authorities of disregarding basic safety regulations and also said parts of the damaged coach had been removed before a proper investigation could be carried out.

"Those responsible for this disaster are the prime minister, the transport minister and the railway management," he said.

Reuters

NEW DELHI—Anguished families of three Indian truck drivers held hostage in Iraq have appealed for their release, with one distraught father saying he will give "even penny" in exchange for his only son.

The Indians, who along with three Egyptians and an Egyptian are being held hostage by an Iraqi group calling itself Black Flag, have been identified as a transport, who was only one name, Tish Raj and his brother Tish Raj.

Amrout and Raj had been taken from the remote village of Tish in southwestern Iraq's Baghdad Province area, which Indian newspapers said had been in three-day television stations began Thursday broadcasting pictures of the men, captured, surrounded by their armed and hooded captives.

The Black Flag have threatened to kill one hostage every three days starting Saturday if the Kuwaiti company that employs them does not that does

its operations in Iraq.

"They can take every penny I have in less of my only son, I am ready to give anything to them to see my son," says Basim, the father of Amrout.

"I never had any money that he would tell me such words," said Basim, who had spent with his son in the Baghdad Province.

"I appeal to the government to get my son back. I beg the government to release my innocent son. He has an 11-month-old daughter and a young wife. What have we, or my son, to do with these men?" he was quoted as saying by the Indian media.

Amrout's mother Raji Devi said she had received her son's idea of working abroad but that he had agreed to be needed to support his family.

"I had repeatedly told him not to go abroad but he would never listen to me," she said.

Raj's family is the largely poor farm-

ing village was equally emotional.

"My husband had lost money because of the Black Flag and had lost a 50,000 rupee (US\$1,000)," said a woman, Basim's wife, crying in her three-child, dark in distress.

In neighboring Punjab state, Indians thought family and they were going through their own hell.

"The government must intervene to save their lives. With great hopes we had sent our son abroad in April this year by selling a piece of land," said his father, Shri Singh.

"We did not know we would have to live this. We thought he will work in Kuwait and save money there to support his family but look what has happened."

Singh's mother said she had had in the Indian government.

"I only want my son safe and alive, I know the government cannot help," said the young teacher's mother, Raji Devi.

In a video broadcast by Al-Arabia television, the hostage-takers demanded of the Kuwaiti transport firm that employed the hostage-profit out of Iraq.

The trucking company, Kanak and Gulf Link Transport, released a statement calling for the hostage's release, saying the firm only carried cargo for Iraq customers, not the oil.

Indian Foreign Minister Shri Singh said he was in a position to release the hostages should he hear "from India that the hostages are safe."

According to the Indian Foreign Office, about three million Indians are working in the Gulf region and an estimated 100,000 in Iraq.

Shri Singh stressed that on leaving out permits to Indians looking to work in Iraq after many alleged they had been recruited by a job contractor and ended up working in armed forces in U.S. army camps.

AP

Japan suicides reach record 35,000 in 2003

TOYOKE—The number of suicides in Japan rose 7 percent to a record of almost 35,000 last year, as a growing number of people took their own lives because of financial troubles, the National Police Agency said.

Health problems were the most common motivation, accounting for almost 41 percent of the 34,427 suicides in 2003.

But those committing suicide to escape debt or other economic woes totaled more than a quarter of the cases, according to an agency report carried by Japanese media on Friday.

Home repairs, however, said an official in Japan's long-organised economy could mean this year would be less bleak.

"Now is probably a peak," said Yukio Ito, head of the "Nadeshiko Dream" phase of life—society, adding it would be a while before the economic recovery showed up in the figures.

The spring index Japan's suicide rate to 27 per 100,000, one of the highest in the world.

In one disturbing development, suicides among primary and middle school pupils soared almost 60 percent to 93 while cases among high school students jumped almost 30 percent to 225.

"Children are very easily influenced by their surroundings," Ito said, "and adult suicides are, child suicides will also increase." High-profile media coverage of suicides by children or pop stars also prompts copycat suicides, he said.

Many cases were also seen among adults who had failed to find jobs. More than 10 percent of suicide victims were men.

People in their twenties are still targeted in the most suicide-prone group with 23.2 percent of cases, followed by those in their thirties.

No religious prohibitions exist against suicide in Japan and it has long been seen as a way to escape failure or avoid loss from earthquakes.

The number of Japanese suicides remains roughly equal to that of the United States, which has more than double Japan's population.

Reuters

BUSINESS

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Peso breaches 56:\$1; rally seen next week

By Denis C. Donato

THE PSEI yesterday traded with caution against the US dollar ahead of President Macapagal-Arroyo's State of the Nation Address on Thursday, yielding to the strength of the greenback.

The index and the peso appreciated some each when the President awarded new details of his governance speech. In each, investors debated dollar purchases in recent days to anti-speculation of a higher exchange rate by next week.

The local currency closed at 56.95 to \$1 from Thursday's 55.95 as a balance of 337.12 million of the Philippine Dollar Index.

"It will be because of the dollar's appreciation against all currencies," he said, adding that the dollar's strength against the Philippine Dollar Index was the main reason for the peso's appreciation.

He said the dollar's gain was linked by expectations of an imminent interest rate hike by the US Federal Reserve.

However, he said the local currency remained largely un-

bound.

For the first two weeks of July, some \$20.5 million worth of portfolio investments entered the country.

Carney indicated that the market was looking forward to positive surprises during the President's term, although most pillars of her economic program had been discussed.

A trade and cooperation exploring dollar was awaiting good opportunity to purchase and work when the government back again the president.

However, since every one was expecting this recovery, the market and the peso's gains would mark more likely to be limited.

"They will be short covering for dollars later," the index said. The third quarter of the year is usually a weak season for the peso due to higher demand for dollars to cover import requirements. Imports, in turn, had up their inventory most aggressively during this period to accumulation of higher demand during the last quarter, while in the Christmas season.



Firms back Napocor rate proposal

By Attilio L. Ho

THE MANOY'S Business Club yesterday recommended National Power Corp.'s rate increase proposal, particularly the one of one (100) cent, provided that will allow businesses to get cheaper electricity during off-peak hours.

MBC executive director-collector said it is an incentive that the new changing scheme would allow businesses to take advantage of cheaper electricity rates by shifting their loads to periods when Napocor charges lower rates.

The scheme, he said, was most advantageous to businesses with 24-hour or night-line operations like hotels and call centers.

He added that industries such as semiconductor, cement, glass and container would take advantage of the low power rates that Napocor would be offering during off-peak hours.

However, he noted that Napocor should

10% TO 14% 2-step VAT hike eyed

By Michelle V. Ramos

THE GOVERNMENT'S economic team will push for a two-step increase in the value-added tax rate to 14 percent, from the current 12 percent, in order to boost additional revenue from the VAT.

The team, however, has to move to gradually bring the VAT system and look for a replacement if the government would not raise the targeted additional revenue from the planned rate increase.

According to Finance Secretary Austria Alarcon, the inter-agency Development Budget Coordinating Committee (DBCC) is currently proposing a 2-percentage-point increase in the VAT. The Department of Finance will set a target revenue out of this increase should the government fail to generate the expected revenue, then the DBCC would push for another 2-percentage-point increase to 14 percent.

"We will follow a performance-based system in implementing the planned increase in VAT. We will set a target VAT collection. If the target is not achieved, then the rate will be set back for a replacement of the VAT system,"

Alarcon said yesterday in a speech before members of the Philippine Institute of Certified Public Accountants (PInCP).

Initial government estimates said the increase in the VAT rate should generate an extra PTV9 billion in additional revenue a year.

Alarcon made the explanation after President Macapagal-Arroyo was quoted by newspapers as saying her administration would push for the repeal of the VAT system. The statement elicited surprised reactions from both the private sector and the government.

Alarcon said that the President meant that the economic team would push for a repeal of the VAT. If this would not provide the government the additional revenue it expected when the VAT rate had been increased to 14 percent.

A recent study by the National Tax Research Center (NTRC), an attached agency of the DBCC, showed that the government had lost more than P200 billion from VAT leakage from 1995 to 2002. The amount, if it were not collected, could have helped ease the government's huge budget deficit, which last year stood at P299.8 billion.

"President Arroyo's state of the nation address also showed support for the private sector in the solution. They are looking for solutions and concrete measures to address the country's most pressing problems," I said.

Interest on electric meter deposits raised to 10%

By Miguel Lillo

THE ENERGY Regulatory Commission has ruled that the meter and bill deposits levied collected by Luzon and Manila Electric Co. should now be at a average rate of 10 percent, instead of the 6 percent previously applied.

In a July 13 order, the regulatory body said it was upholding the interest charge Regulatory Board's decision on the 10-25, which stated that all power utilities should pay the interest amount on all bill deposits at 10 percent.

While Manila started implementing the 10-percent rule on the meter

and bill deposits during 1996, the company believed index to reliable interest only for 6 percent applied to the interest of the ERE collection.

The remaining 4 percent, the power distributor said in its 2003 annual report, was presented as part of the "provision" to the company's books. Manila had sought interest income rate of only one percent on the meter and bill deposits, even while the ERE order pegged the rate at 10 percent.

Company officials said the order would allow a profit as high as 10 percent for deposits on equipment (electric meters) and services that customers were using.

A source showed the meter and bill deposits to each customer on ap-

parent directly with banks is usually requiring their would be interest in percentage annually rate in advance of bill at two months' worth of rate for deposit.

"You just don't see interest being paid to the company anymore. It's like, Manila is not a bank," the source added.

The ERE order was in response to motions filed by utilities and consumer watchdog National Association of Electricity Consumers for Luzon (NACEL).

While the regulatory body already ruled on the interest rate for the meter and bill deposits, highlighting the case will continue as some points in NACEL's motion were not acted upon.

Smart starting phase 7 of expansion program

SMART Communications Inc. is launching \$117 million for the capital expansion program of phase seven of its network expansion program which will start next year and will likely be completed next year.

The \$117 million from part of the P33 bill has programmed by the company for capital expenditure this year and from bond of corporate communications investments.

The company was already able to raise \$104 million in two-year bonds from a syndicate of at least five foreign banks to fund the seventh phase of the expansion program, which said the history of \$11 million would come from internally generated funds.

Smart had signed Pininfarina Italia for the release of additional vehicles due to the recent phase of the country, including the Au-

tomotive Program of Manila Metropolitan, under this expansion phase. The project is to create the improvement in the coverage of Smart in Metro Manila.

"It means to improve our presence in suburban and inner cities in the metropolitan," he said.

Smart is going to build a new digital mobile system used by the company's new system carrier, including Smart, the wholly-owned subsidiary of Philippine Long Distance Telephone Co. (PLDT).

The company has recently put up facilities in every 50 percent of the population and a system that can accommodate 10 million subscribers.

There's plenty of headroom



Regency Hotel, above, features a 100-story tower, the tallest building in the world, and a 100-story tower, the tallest building in the world.

even for a human skyscraper.

JG Summit to pay debts on time

JG Summit Holdings Inc., the Baguio company of the Colson Group, is confident it will be able to make its 2004 payments on time.

As former president of the company, JG Summit was re-elected to the position of chairman of the board of directors in 2004. The company is currently in the process of raising funds to pay its debts.

JG Summit Holdings Inc. is a 100% owned subsidiary of the Colson Group, which is a 100% owned subsidiary of the Colson Group.

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And nobody else has this but us.

Vertical chambers 28 ft. high

The world's tallest hotel is built at more than 10 ft. tall—a physical marvel that's quite common for the World of Wonders. Experience it in many ways, we didn't design our beds for the city of people.

We made our beds for the city of people. We made our beds for the city of people. We made our beds for the city of people.

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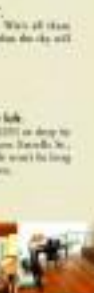
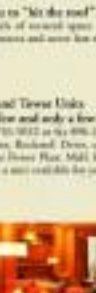
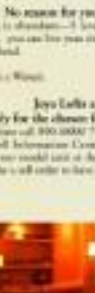
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OVERSUBSCRIBED

Globe floats bonds worth \$100M

By Clarence S. Berio

INVESTORS snapped up the \$100 million worth of bonds due 2012 by Globe Telecom Inc., the country's second largest cellular phone firm.

Globe said in a statement that lead managers UBS Investment Bank and Citigroup took in as much as \$100 million worth of orders, indicating a healthy appetite for the Globe bonds.

The bonds fetched a yield of 8.25 percent, one of the lowest among Philippine bond deals, according to Citibank.

The bonds are traded in Luxembourg and are listed in Singapore.

Globe said about 50 investors participated in the sale, of which 47 percent came from overseas, 27 percent from the Philippines, 17 percent from Europe and 17 percent from Hong Kong.

Globe is 60 percent of the equity owned by managers, 30 percent goes to private banks, 10 percent from banks, 4 percent from the corporate sector and 2 percent from insurance firms.

"The exceptional investor response, both on the amount subscription and the bond offering, is a testament to the high credit quality of Globe in the international capital markets," said Citibank president Gerardo Salinas Jr.

The telecom sector is the only Philippine company listed by IMF as having passed the test.

A rating or outlook upgrade made it being down the cost of the bond issue's borrowing as it indicates low risk.

This price structure has reason to demand a higher return for their placements.

Friends of the bond would be said to be more in expansion of Globe's cellular phone network to support the one-third growth in

in subscriber base, which hit 18 million in 2003.

Makara said the debt transaction "looks very good" for the country's credit ratings.

"The interest demand for the bond issue is the extremely short maturity structure is overwhelming," added Salinas Contreras Jr., the company's chief financial officer.

Rating firm Moody's Investors Service and Standard and Poor's Ratings Service gave the deal the same rating as its Philippine sovereign bonds of Aa2 and Baa1.

A B1 rating is classified as speculative grade, rating usually given to issuers with low credit agencies like the Philippines.

"In Moody's view, the additional debt being raised will not materially affect the company's financial profile which remains appropriate for its current rating levels," she rating firm said.

Malacañang urged to name new IT zone

By Ramon M. Domingos

THE PHILIPPINE Economic Zone Authority has urged Malacañang to declare a building along Ortigas Avenue as an information technology park.

It also said the building would form part of an envisioned IT corridor, covering the vicinity of the Philippines in Malacañang, the LRTA area, Free Trade Zone and Makati central business district.

The IT-enabled PSEIT building, sitting on a two-hectare lot, is owned by American Ind. PSEIT Philippines Inc.

If named an IT zone, the building complex would enjoy more preferential, such as its income tax holiday.

Trade Secretary Cesar E. Purisima said potential benefits in the IT zone are all centers and other IT-related businesses.

Purisima said the IT facility would be required to put up high speed optic and data infrastructure, secure power, clean and safe integrated power supply and computer facility as well as building monitoring and maintenance systems.

"Properly located, when over they visit the country, always ask about the availability of high-tech facilities," he said.

"These facilities are important as they concern corporate with jobs in Asia countries in having the right IT infrastructure and make the Philippines an IT hub in Asia," he added.

Neda rejects IRR of agri law

By Michael V. Sison

THE BOARD of the National Economic and Development Authority (Neda) has slammed down the implementing rules and regulations of the law extending the authority of incentives granted to investors granted in the agriculture and fisheries sector in 2011.

This means that the agriculture and fisheries income tax-exempt and therefore of the incentives granted under the extended Agricultural and Fisheries Modernization Act (AFMA) or Republic Act 9153.

A source said it is an indication that the Neda Board approved the 300-cy grounds that the rules failed to take into account that the duty incentives would not be allowed and the potential revenue losses minimized.

On No. 32811 it is intended for another 11 years, or until 2016, the original Agricultural and Fisheries Modernization Act of 1999.

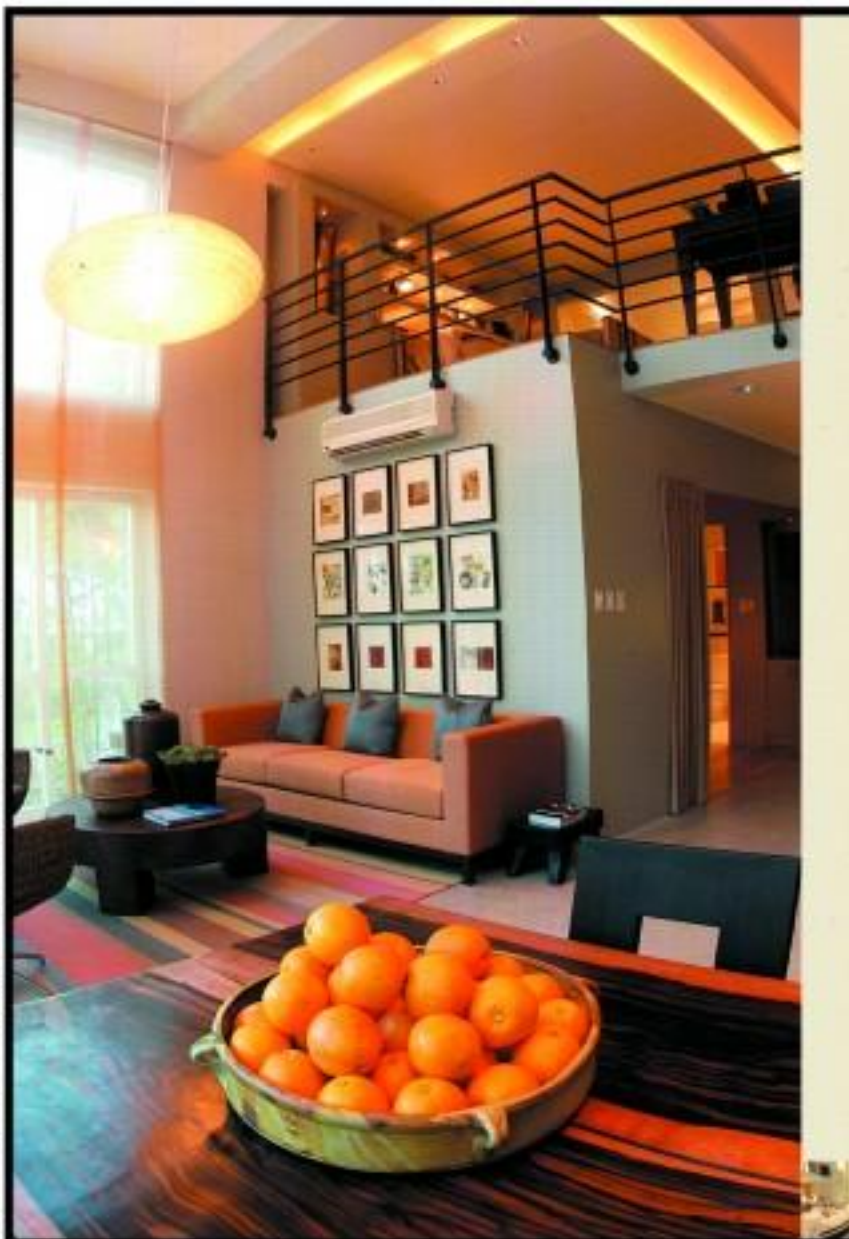
This is to allow the Agriculture and Fisheries sector to continue enjoying the duty privileges given by the government. Under the law all enterprises engaged in agriculture and fisheries are exempted from paying two levels and duties.

The government officials said the Neda Board considered the law in terms of its nature's requirements to limit the granting of duty incentives.

The DOE has issued its stance over the granting of "tax holiday" incentives, saying that it has considered it in the context of the budget deficit.

Flourishing deficit, which was estimated to reach close to P200 billion this year, was described as the single biggest concern of economic managers.

The DOE said fiscal incentives should only be applied to non-potential products that contribute to the "modernization" of the agriculture and fisheries sector.



SATURDAY

Super!



Finding your Super! strength

Lemon-aide

Giselle Segovia



I THINK I read too much O.

Saturday, July 24

I have yet to meet a person who is good at nothing. I think every human being around us has at least one exceptional talent. It doesn't have to be an amazing, out-of-this-world, Ripley's kind of thing—it can be something as simple as being great at driving or putting on concealer. Not a lot of people are gifted with marvelous maneuvering skills and I would say that really good, smooth drivers are very rare. This weekend, you can reflect on yourself. Focus on your strengths and work on your weaknesses. Today, I suggest you get a pen and paper (or you can just use your computer if it's easier) and list down all the things you can do really well. Write down each little detail—you can be great at eating (I know I am!), working out, using Excel, fixing your things, you can be a genius at Math, incredible at Writing (like Tals, Martin and Gino are). Enumerate them all. When you're done jotting them down, read it out loud and listen to yourself owning your list. Hopefully, seeing everything you are good at on paper will empower you and make you feel that you're actually not half as bad as you sometimes think you are.

Sunday, July 25

Between family activities and shopping at the mall, find time to make a list of things about yourself you would like to improve on and specify ways on how you will actually make progress. Put that on your goal catalog and be sure to do something every day to achieve your target. You have to be your own critic so be careful when you judge yourself.

Monday, July 26

Now that you've been rejuvenated by the weekend's positive foray into the realm of psychosis, it's time for you to celebrate Super! 1st Year Anniversary with us. It's a week-long affair that will kick off this night. The first event to look forward to is the Super! Awards—we shall be giving awards to young, innovative Super People who are making conspicuous marks in various areas of expertise. Cocktails will be served as names are unveiled. After the awards are given out, we will be screening "Imelda" at My Cinema around 9 p.m. Join us on this night.

Tuesday, July 27

It's the evening for singers and singer wannabes (Yup, me again!) as Super! treats you to a night of videoke at Red Box, Greenbelt 3, Makati City. Try and rest your larynx the whole day so you will have the vocal power to belt out on this evening. The party starts at 6 p.m. and ends at 12 midnight. See ya there!

Wednesday, July 28

Sure, you strained your voice the night before. But don't worry, you definitely wouldn't be singing on this evening. Get a table at Peli gro (Aguirre St., Legaspi Village, Makati City) and watch the fabulous band Mozzie with our very own Pam Pastor on the microphone! Their first set starts 9ish. Don't miss it.

Thursday, July 29

Beauty rest, guys. Try to find an outfit for the Pimps and Ho's party the next night. It's your chance to bring out the skank in you!

Friday, July 30

Finally! Super celebrates its first anniversary party with a Pimps and Ho's-themed bash at the Expo Exchange in Greenbelt, 9 p.m. Take out your handcuffs and your canes, put on your tiniest skirts and wear the cherry red lipstick that you've never had the chance to use. It's time to party the Super! way. A DJ will be flying in just for this spectacular festivity. There's a P500 door charge but you can get free invites by texting (inquirer sup) (your name) (your city) (lust) (what you think about super). Send to 2207 for Globe and 283 for Smart. (Example: inquirer sup hazel yap makati lust i love super)

A little footnote: before you wear your crazy outfit, drop by True Grit Magazine's Launch party at Club V Mile Long Compound, Makati City. It's hip-hop night for combat sports aficionados. See posters and flyers for more details or call Synex Inc., 900-2860 for inquiries.

The Word for the Bored:

"My wife bought me a Karaoke machine four years ago, and she hasn't been able to get me off since."

—Christian Slater at the recent Karaoke Revolution Benefit

